UNITED NATIONS DEVELOPMENT PROGRAMME

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APPROVAL OF LARGE-SCALE UNDP ASSISTANCE TO A PROJECT OF THE GOVERNMENT OF UGANDA

Project title and number:	Manufacture of Low-Cost Farm Equipment (Supplementary Assistance)(UGA/73/015)
Executing Agency:	United Nations Industrial Development Organization (UNIDO)
Government co-operating agency:	Ministry of Agriculture and Animal Resources
Date of approval:	September 1978
Starting date for project operations:	- 1/
Duration:	- 2/
Estimated value of the Government contribution:	$2 618 400
Estimated UNDP additional contribution:	$801 700
Source of UNDP financing:	Indicative Planning Figure(IPF)($512 000) Special Measures Fund for Least Developed Countries ($289 700)

I. Background

1. Primary production activities constitute the largest sector in the Uganda economy, occupying about 90 per cent of the population. The Government's policy of rural development aims at, among other things, the production of suitable and inexpensive farm tools in order to increase total output by the small farmer in Uganda. There is a real and increasing demand for a wide range of small farm implements which is not now being met either through domestic supplies or imports, although it is considered feasible to manufacture in Uganda a range of simple agricultural equipment by using intermediate technology and labour intensive techniques. In this connexion the Engineering Division of the Teso Co-operative Union (EDTCU) has been for a long time and without external assistance, successfully manufacturing oxcarts, ploughs, seeders and weeders on a limited scale in its Soroti workshop for sale to farmers in the area. In view of the above, the Government requested in 1973 the assistance of UNDP and UNIDO with a view to materially increasing the output of this plant, broadening the product line and improving its quality. Such assistance was approved under the present project. 3/

1/ Project operations started in January 1976.

2/ The project duration, previously three years, is now extended by another two years.

3/ DP/PROJECTS/398.

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2. The project encountered various difficulties in the early life of its implementation but some progress has been made in this respect over the last twelve to eighteen months. The Government has therefore requested the extension of the UNDP assistance in order to set the experiment on firmer and self-sustained ground.

II. The project

3. The long-range objectives of the project remain to produce sufficient quantities of low-cost agricultural equipment and hand tools for the farmers in Uganda and possibly thereafter for neighbouring countries.

4. The immediate objectives are still to: (a) assist EDTCU to expand its production of low-cost farm implements (mainly ox-drawn equipment and hand tools); (b) coordinate the use of existing and new expertise among research and training institutions and make available field-proven and cost-effective implement designs to EDTCU and others for manufacture; and (c) prepare, with the participation of the Uganda Development Bank, an investment report proposing the next phase of development of the industry.

5. UNDP assistance will consist in the provision of expert and consultant services in design and workshop maintenance, fellowships, basic equipment and miscellaneous services and items.

6. The expenditure components of the UNDP contribution are as follows:

	Previously approved		Present approval		Total approval	
	m/m	$	m/m	$	m/m	$
Experts	24	99 300	96	517 000	120	616 300
Training		-	42	58 800	42	58 800
Equipment		42 900		211 100		254 000
Miscellaneous		700		14 800		15 500
		142 900		801 700		944 600
Financed under:						
Indicative Planning Figure		-		512 000		512 000
Special Measures Fund for Least Developed Countries		142 900		289 700		432 600

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